

**SB219 – Golden Parachute Prohibition** (Sen. Joe Balyeat)

Mr. Chair, members of the Committee, for the record....

The bill before you today came out of audit issues on the Legislative Audit Committee work related to an audit of the Historical Society. You'll note that the bill is co-sponsored by Rep. Musgrove and myself. Rep. Musgrove is a House Democrat who chairs Legislative Audit Committee, and I'm of course a Senate Repub. Who Vice-Chairs that same committee. So this is obviously not a partisan bill in any way, but rather just a "good government" bill.

I'm passing out copies of the pertinent page from the legislative audit report, as well as a news story summarizing the issue. The incident in question was when a Board used taxpayer money to pay its director for 8 months after the director resigned. Including salary and benefits, the total price tag was around \$75,000.

You'll note from the audit report and news story that, although Legislative Audit staff considered this to be a significant issue, they did not issue a recommendation regarding it because state law is ambiguous – it doesn't authorize or prohibit such arrangements.

Nonetheless, as you will note from the story, there were many of us on the audit committee who felt this circumvented the appropriation process and was a mis-use of taxpayer funds.

The bill specifically does not prohibit termination pay based on accumulated sick leave, vacation, comp time, or retirement payments.

The bill was also amended to make sure it doesn't interfere with the collective bargaining arbitration and settlement process, and both I and Rep. Musgrove agreed with those amendments. We believe those amendments also took away the concerns of any opposition we had in the Senate

With those amendments the bill has pretty narrow applicability. Nonetheless, our legislative auditor's office would still like to see it passed just so they have some guidelines to issue an audit recommendation one way or the other should this situation arise again.

With that, I'll sit and let Rep. Musgrove give you his take on it, and also listen to proponents and opponents, if any; and I reserve the right to close. Thank you.